



Measuring the Sustainability of Tourism

Issues in measuring the employment aspects of sustainable tourism

**Discussion Note by Cardiff Business School
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Background

This note is intended to provide a short summary of the key areas that should be the focus of discussion on the employment aspects of sustainable tourism within the broader program of work on the Statistical Framework on Measuring the Sustainability of Tourism (SF-MST).

Four main themes are proposed to focus the discussion

1. Key policy issues in relation to the employment aspects of sustainable tourism.

We (Xu, Jones, Munday) have been focusing in Wales on issues around understanding developmental & anti-poverty issues rather than aggregate employment. Thus, recent work has sought to examine (at regional scale) quality of employment – in terms of skills and qualifications, household income of tourism workers, career and professional development issues etc. This is done with the assumption that human capital has positive impacts on economic development, especially in poorer places

2. Potential perspectives and approaches to consideration of employment and sustainable tourism:

We have been utilizing a tourism satellite account with social accounting matrix that seeks to include the human capital elements detailed above. Further, the TSA has disaggregated businesses by regional and non-regional ownership is a proxy approach to investigate issues of inward investment in tourism. This recognizes that

- (i) in the wider economic literature it is the case that workers in multinational firms (MNCs) are higher paid than those in domestic firms with a wage premium that remains should they return to work in domestic firms

- (ii) MNCs tend to have very different production functions than domestic firms, often involving very different use of labour (and higher labour productivity)
- (iii) There may be other spillover effects on economic development following inward investment, some mediated by the labour market
- (iv) Conversely, there are recognized potential negative consequences for the host following tourism FDI, including economic leakage – e.g. returns to capital enclave behaviours and capture of key limited resources (perhaps including high quality labour)

Our approach seeks to uncover at least some of these issues, by revealing the link between tourism and human capital more clearly within accepted frameworks

3. Key challenges in measuring employment in the context of sustainable tourism. Data quality is at least in our regional case not really adequate to investigate these issues in detail although the situation may be better elsewhere. TSA Table 7 does not make clear the suitable scope of human capital measurement and we are unsure whether the Canadian labour module approach is an appropriate/accepted starting point
4. Summary of available measurement frameworks, statistical standards, other references on employment themes

So far we have concentrated on TSA framings but clearly there may be other avenues to investigate.